THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Keeping in view the widespread failure of cotton crop in Guntur and Prakasam districts of Andhra Pradesh and the verious representations received in this regard including a note from the State Government of Andhra Pradesh, a Committee of bankers under the Chairmanship of Dr. P. D. Ojha, Deputy Governor, RBI was appointed to assess the situation and to suggest remedial measures for ameliorating the plight of affected cotton growers. On the basis of recommendations made by this Committee, the Reserve Bank of India (RBI) has on June 29, 1988 issued instructions to all scheduled commercial banks for providing necessary relief and concession to the cotton growers in the two districts of Andhra Pradesh.

Deposits under non-resident deposit accounts

*190. SHRI KAPIL VERMA:

SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) what were the total deposits under foreign currency Non-Resident deposit accounts in the nationalized banks in the country during 1984-85, 1985-86 and 1986-87;

(b) whether there has been a sharp rise in deposits in 1986-87; if so, what are the reasons therefor; and

(c) whether it is a fact that agents offering massive FCNR deposits are known to be using these deposit receipts to borrow funds abroad; if so, what action Government propose to take in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The total deposits outstanding under Foreign Currency Non-Resident (FCNR) Accounts in Banks in India at the end of March 1985, 1986 and 1987 were as follows:

As on	Amount (Rs. in crores)
31.3.85	954.62
31.3.86	2188.22
31.3.87	3511.11

(b) Yes, Sir. There has been a rise. This could be attributed to the overall attractiveness of the scheme.

(c) There is no ban on borrowing against the collateral of the FCNR deposits. However, the Reserve Bank of India have issued certain cautionary guidelines to the Indian Banks regarding the general parameters for granting loans against FCNR/NRE deposits so as to avoid arbitrage and speculations including the FCNR/NRE Deposits for the purpose of keeping such borrowed funds in FCNR/NRE Accounts.

Clearence of projects of West Bengal from foreign exchange angle

*191. SHRI ASHIS SEN:

SHRI MOTURU HANUMANTHA RAO:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have cleared the projets from West Bengal from the foreign exchange angle; and

(b) if not, what are the reasons therefor?

THE MINITER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Project related foreign exchange requirements of the States are

@Previously Starred Question 149, transferred from the 5th August, 1988.